

**Amendment No. 2 to HB1386**

**Eldridge  
Signature of Sponsor**

**AMEND Senate Bill No. 1763**

**House Bill No. 1386\***

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 50-7-403(b)(1)(B), is amended by adding the following language as a new, appropriately designated subdivision:

(iii)

(a) Notwithstanding subdivision (b)(1)(B)(ii), the department, in determining the experience rating for new employers in operation at least three (3) years immediately preceding the date of becoming a liable employer in Tennessee, shall allow, upon election of the employer, for an interstate transfer of the employer's experience rating.

(b) The employer shall provide the department with an authenticated account history from information accumulated from operations from the state from which the employer relocated in order to compute a Tennessee new employer premium rate.

(c) This subdivision (b)(1)(B)(iii) shall apply to all employers relocating into Tennessee on or after July 1, 2014.

(d) In the event that the unemployment trust fund balance is lower than or equal to seven hundred million dollars (\$700,000,000), then the commissioner, in the commissioner's sole discretion, may suspend the use of this subdivision (b)(1)(B)(iii) to determine the new employer experience rating for employers relocating to Tennessee. The rate shall revert to the industry rate designated at the time of the suspension of this subdivision (b)(1)(B)(iii).

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(e) Notwithstanding any other provision of law to the contrary, this subdivision (b)(1)(B)(iii) shall not apply to the extent that compliance with such provisions would violate federal law or cause the department a loss of federal funding.

SECTION 2. The commissioner is authorized to promulgate rules to effectuate the purposes of this act. All such rules shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 3. This act shall take effect July 1, 2014, the public welfare requiring it.